

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of the Petition of
WorldCall Interconnect, Inc. for
Designation as an Eligible
Telecommunications Carrier
Under 47 U.S.C. § 214(e)(6)
In Warren and Washington Counties
Of the State of New York

CC Docket No. 96-45

**COMMENTS OF THE
COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION ("CCIA")
IN SUPPORT OF WORLDCALL INTERCONNECT, INC.
PETITION FOR ETC DESIGNATION**

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Dated: January 5, 2009

The Computer & Communications Industry Association (“CCIA”), through counsel and pursuant to the Public Notice issued December 4, 2008, in the above-captioned docket,¹ files these comments in support of the petition of Worldcall Interconnect, Inc. (“WCX”) for designation as an Eligible Telecommunications Carrier (“ETC”) under 47 U.S.C. § 214(e)(6) and 47 C.F.R. § 54.201.²

BACKGROUND: CCIA

CCIA is a nonprofit membership organization of a wide range of companies in the computer, Internet, information technology, and telecommunications industries. Created over three decades ago, CCIA promotes open markets, open systems, open networks, and full, fair, and open competition.

CCIA’s member companies vary widely in size and operate both domestically and globally. Members include computer and communications companies, equipment manufacturers, software developers, service providers, resellers, integrators, and financial service companies. Together CCIA’s members employ almost one million workers and generate nearly \$250 billion in annual revenue.

CCIA is an advocate in many areas of policy and legislation, domestically and internationally, and is at the leading edge of policy making. CCIA has developed, defined, and advocated policy on a wide range of issues from telecom to intellectual property, from privacy protection to broadband access, from competition policy to government procurement, and from trade and export controls to e-commerce.

¹ CC Docket No. 96-45, *Comment Sought on the Petition of Worldcall Interconnect, Inc. for Designation as an Eligible Telecommunications Carrier in the State of New York*, Public Notice, DA 08-2638 (Dec. 4, 2008).

² CC Docket No. 96-45, *Petition for Designation as an Eligible Telecommunications Carrier in Warren and Washington Counties of the State of New York* (Oct. 20, 2008) (“Petition”).

As discussed below, CCIA believes that the WCX business plan offers substantial public interest benefits, and it embodies many of the public policy goals that CCIA promotes. Specifically, the WCX technology application increases consumer choice and provides improved service quality for voice communications in rural areas. Equally important, the WCX business plan accomplishes these important goals by deploying innovative technology that also serves to lay the foundation for increased broadband access to rural areas that have been chronically underserved. For these reasons, CCIA urges the Commission to grant the WCX Petition as soon as practicable.

I. WCX HAS DEMONSTRATED THAT IT MEETS ALL THE CRITERIA FOR ETC DESIGNATION, AND THAT GRANTING ITS PETITION FOR ETC STATUS WILL SERVE THE PUBLIC INTEREST

WCX intends to provide both voice-grade telephony and related services and functions to residents in Cellular Market 266 (Warren and Washington counties in upstate New York). It will do so through a combination of its own facilities, resale, interconnection, and roaming agreements with other wireless carriers. Petition ¶¶ 4, 12. WCX has demonstrated in its Petition that it satisfies the Commission's service criteria as set forth in 47 C.F.R. § 54.101(a). *See* Petition ¶¶ 11-23.

In addition, the Petition discusses at length the competitive benefits that WCX's proposed service will create, as well as the advancements in public safety, rural healthcare, and elementary education. Petition ¶¶ 29-30, 37. As the Petition makes clear, WCX will provide these services over a wireless broadband network using spectrum in the 3650 – 3700 MHz and 700 MHz bands. Petition ¶¶ 4, 7. CCIA believes that WCX's proposed service will provide significant benefits to the residents of Warren and Washington counties.

Moreover, granting the requested ETC status will not impose a burden on the Universal Service Fund. As WCX demonstrates, its Petition is fully compliant with the Commission's recently-adopted interim high-cost support rules.³ These rules apply an interim cap, on a per-state basis, to USF funds that may be allocated for high-cost services. They also, however, provide an exception for competitive carriers that submit their own cost studies and thus encourage competitive carriers to deploy facilities on a least-cost basis. Petition ¶ 31. Because WCX will submit its own cost studies, it will demonstrate that its use of the USF funds will be highly efficient. CCIA believes that the WCX Petition on its face is compliant with all ETC standards established by the Act and applied by the Commission, and thus WCX merits prompt designation as an ETC-eligible carrier.

II. WHILE THE UNIVERSAL SERVICE FUND DOES NOT DIRECTLY SUPPORT BROADBAND DEPLOYMENT AT THIS TIME, GRANT OF ETC STATUS TO VOICE CARRIERS THAT ALSO DEPLOY INNOVATIVE TECHNOLOGY PLATFORMS IS AN EFFECTIVE MEANS OF PROMOTING THE DEPLOYMENT OF BROADBAND-CAPABLE FACILITIES

CCIA has long supported the direct funding of broadband service deployment by the Universal Service Fund, and believes that the statutory provisions and rules governing the Fund should be amended to allow for direct broadband funding. However, until such changes are implemented, CCIA believes that the Commission should take every opportunity within the parameters of its existing authority to promote broadband deployment, particularly in rural areas.

CCIA shares the Commission's commitment to fostering the development and deployment of broadband services throughout America. CCIA also shares the often-stated concerns of regulators, legislators and policy professionals that the United States' broadband policy has not been as effective as it needs to be. Indeed, although a recent report by the

³ *High-Cost Universal Service Support*, WC Docket No. 05-337, Order, FCC 08-122, 23 FCC Rcd. 8834 (May 1, 2008) ("CETC Cap Order").

Commission notes an increase in minimal broadband (defined as 200 kbps and above in one or both directions) penetration within the country,⁴ the United States ranks only 15th in broadband penetration among the 30 countries tracked by the Organisation for Economic Co-operation and Development (OECD).⁵

Of particular concern is the disparity in broadband penetration between rural and metropolitan residents. As of December 2005, rural broadband subscribership was 62% lower in rural areas than in urban/suburban areas.⁶ In the face of this disparity, the Commission has shown an increased sense of urgency with respect to rural broadband deployment in order to close this gap. For example, the partnership between the Commission and the United States Department of Agriculture, which focuses on enhancing rural broadband access, has yielded a valuable tool for outreach and education for those seeking to provide or obtain advanced services in rural areas.

In addition to these efforts, the Commission's ETC decisions can also be used indirectly to empower innovative service providers to bring broadband connectivity to rural America. Increasing the number of entities deploying networks that can provide both voice communications and broadband to rural areas is a highly effective step the Commission can take to promote broadband penetration in rural areas. The WCX Petition offers the Commission an opportunity to provide USF funding that will support not only the requisite voice-grade telephony required by the Commission's rules,⁷ but also the infrastructure that is capable of

⁴ *High-Speed Services for Internet Access: Status as of June 30, 2007* (Wireline Comp. Bureau March 2008).

⁵ The Information Technology and Innovation Foundation, *Assessing Broadband in America: OECD and ITIF Broadband Rankings* (Apr. 2007), available at <http://ipolicy.typepad.com/informationpolicy/2007/04/itif_broadband_.html>.

⁶ See Pew Internet & American Life Project, *Rural Broadband Internet Use* (Feb. 2006), available at <http://www.pewinternet.org/pdfs/PIP_Rural_Broadband.pdf>.

⁷ See 47 C.F.R. § 54.101(a).

providing state-of-the-art wireless broadband services to the residents of rural areas in New York.

III. GRANTING THE WCX APPLICATION FOR ETC STATUS FOR VOICE TELEPHONY WILL ALSO PROMOTE THE DEPLOYMENT OF BROADBAND-CAPABLE NETWORKS TO RURAL AREAS WITHIN NEW YORK

WCX presently holds a nationwide, non-exclusive license in the 3650-3700 MHz band which can be used immediately to provide service within its service territories in Warren and Washington counties in New York. Petition ¶ 4. This spectrum band was allocated by the Commission for the express purpose of promoting the development of broadband wireless services in rural and under-served areas.⁸ Moreover, Worldcall, Inc., the parent company of WCX, is the winning bidder for 700 MHz frequency in its service area, and expects to start deploying broadband services when it obtains the licenses from the Commission. Petition ¶¶ 4, 7.

The spectrum in both the 700 MHz and the 3650-3700 MHz bands provides an excellent platform for the provision of high-quality voice telephony services. However, these bands are also the preferred spectrum for the provision of WiFi and WiMAX broadband data services, including multimegabit Internet access. In granting ETC status to WCX, the Commission will provide funding for the voice services and features specified in Section 54.101 of the Commission's Rules, and will also support the deployment of network technologies that are the preferred vehicles for provisioning broadband Internet access and related services. This is the most efficient possible application of USF funding, and unquestionably serves the public

⁸ *Wireless Operations in the 3650-3700 MHz Bands*, Dockets ET No. 04-151, *et al.*, Memorandum Opinion and Order, FCC 07-99 ¶¶ 1, 3 (rel. June 7, 2007).

interest. As such, the Commission should grant the WCX Petition for ETC designation without delay.

CONCLUSION

For the reasons discussed above, CCIA urges the Commission to grant the WCX Petition for ETC designation as a means of furthering the Commission's stated goals of bringing competitive, innovative services to rural America.

Respectfully submitted,

By: /s/ Edward J. Black

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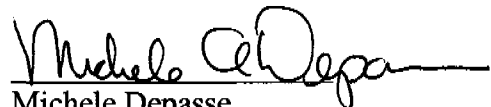
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Dated: January 5, 2009

CERTIFICATE OF SERVICE

I hereby certify on this 5th day of January, 2009, that the foregoing document was served
via First Class Mail on the following:

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